



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES  
DIRECTOR

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE MICHIGAN DEPARTMENT OF NATURAL RESOURCES,  
THE MICHIGAN DEPARTMENT OF TREASURY,  
AND  
THE MICHIGAN FOREST FINANCE AUTHORITY**

**Purpose**

1. This Memorandum of Understanding (MOU) is an agreement among the Michigan Department of Natural Resources (Department), the Michigan Department of Treasury (Treasury), and the Michigan Forest Finance Authority (Authority). The mission of the Authority is to preserve existing jobs, create new jobs, and alleviate and prevent unemployment through the retention, promotion, and development of forestry and forest industries and to protect the health and vigor of forest resources. Funds used by the Authority to finance investments in forest management operations and practices in reforestation, forest protection, and timber stand improvement that follow the guidelines, rules, and objectives prescribed and approved by the Department may be obtained through the issuance of revenue bonds, or from any other legally available source.
2. The purpose of this MOU is to specify the administrative services to be provided by Department staff to assist the Authority in discharging the functions set forth in Part 505 of the Natural Resources and Environmental Protection Act, Public Act 451 of 1994 (Act) and other applicable laws. The Authority speaks on its own behalf or through its

NATURAL RESOURCES COMMISSION

Keith J. Charters, Chair • Mary Brown • Hurley J. Coleman, Jr. • Darnell Earley • John Madigan • J. R. Richardson • Frank Wheatlake

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Chairperson or through designees. Department staff specified in this memorandum will implement the policies of the Authority.

3. It is also the purpose of this MOU to define the procedures for certain other interactions among the Authority, the Department, and Treasury.

#### **Executive Director**

4. The State Forester is, by statute, the Executive Director of the Authority. Under the direction of the Director of the Department, or designee, the Department shall provide sufficient staff to assist the Executive Director in doing all of the following:
  - (a) Prepare agendas and agenda packets of information for meetings of the Authority.
  - (b) Attend meetings of the Authority.
  - (c) Record proceedings and take minutes of Authority meetings.
  - (d) Coordinate with the Chairperson to determine matters to be addressed by the Authority.
  - (e) Prepare budgets and financial reports.
  - (f) Prepare an annual report.
  - (g) Respond to Freedom of Information Act requests.
  - (h) Serve as the custodian of all documents and papers filed with, or maintained by, the Authority in various filing and records management systems and use those systems to track and monitor the utilization of the Authority's funds.
  - (i) Recommend to the Authority and the Director of the Department changes in statute or administrative rule(s) as necessary to ensure an effective and efficient administration of the Act.
  - (j) Upon mutual agreement of the Director of the Department and the Authority, perform other duties not inconsistent with the Executive Director position as described in the Act.

- (k) Annually prepare and submit a list of proposals/projects to be funded with monies available to the Authority.
- (l) Receive, review, distribute, and present, all proposals/projects to be brought before the Authority for information or action.
- (m) Serve as the contract administrator/compliance inspector for contracts entered into by the Department on behalf of the Authority.
- (n) Coordinate and oversee the hiring of staff for the Authority in compliance with Civil Service requirements.
- (o) Track, monitor and maintain records of the expenditures made by the Authority, or the Department on behalf of the Authority.
- (p) Serve as a liaison to and attend all meetings of any subcommittee established by the Authority.

### **Request for Information or Analysis**

5. At least ten business days prior to the date of an Authority meeting, the Executive Director shall inform the Director of the Department of any matter of a non-routine nature which he or she expects to be brought before the Authority at that meeting. The Director of the Department promptly will assign the request for information to the Chief of the Forest Mineral and Fire Management Division (FMFM) for disposition. The Director of the Department shall transmit the completed information to the Authority through the Executive Director. If an analysis is requested, the completed analysis shall contain all of the following:
  - (a) A precise statement of the issue involved.
  - (b) An indication of any interested parties and their respective positions, if known.
  - (c) A summary of any arguments in favor of, and in opposition to, the issue.

- (d) If requested by the Chairperson or other member of the Authority, a recommendation proposing a resolution of the matter.

### **Agendas**

6. At least seven business days prior to the date of an Authority meeting, the Executive Director shall prepare a proposed agenda which lists all matters which the Director of the Department expects to be brought before the Authority at that meeting and shall distribute a copy of the tentative agenda to each of the following persons:
- (a) The Chairperson and members of the Authority, including the Director of the Department; and
  - (b) The Division Chief of the Finance Division of the Department of Attorney General; and
  - (b) Any other person or persons designated by the Chairperson in accordance with the policies or procedures adopted by the Authority.

### **Reporting Relationship**

7. The Executive Director shall report to, and perform the duties set out in this MOU under the supervision of, the Director of the Department. If a member of the Authority takes issue with any action undertaken or not taken by the Executive Director, the member shall in writing inform the Director of the Department.

### **Annual Performance Review**

8. In conducting any performance evaluation of the Executive Director, the Director of the Department shall request written comments from the Authority members. Authority members may submit comments regarding the performance of the Executive Director to the Director of the Department.

## **Roles & Responsibilities of the Department, the Authority, and Treasury**

### **9. The Department:**

- a. Acts as the agent for the Authority in implementing, monitoring, and tracking Authority funds allocated to it and the expenditures made with those funds, purchasing goods or services for the Authority under the State's purchasing policies and procedures, and in hiring staff for the Authority's practices according to Civil Service Rules.
- b. Annually prepares and submits a list of approved proposals/projects for funding consideration.
- c. Through the Director of the Department and the Executive Director participates in decisions made by the Authority.

### **10. The Authority:**

- a. Receive monies dedicated under the 21<sup>st</sup> Century Jobs Trust Fund to the Authority from the Michigan Strategic Fund.
- b. Review proposals/projects submitted by the Department.
- c. Take necessary actions to approve funding for desirable practices, gain further information on practices that appear promising, but detail, and reject practices that are not appropriate, feasible, or desirable.
- d. Request associated funding or transfers from Treasury of 21<sup>st</sup> Century Trust Fund monies or the Department, or any other appropriate source to fund the approved proposals/projects.
- e. Oversee the expenditure of funds to implement approved proposals/practices.
- f. Monitor the status of expenditures of funds for approved proposals/practices.
- g. Require annual status reports on each proposal/project in process, or more frequently as needed.

9. The Department of Treasury:


- a. Receive monies dedicated under the 21<sup>st</sup> Century Jobs Fund to the Authority from the Michigan Strategic Fund.
- b. Invest the funds of the Authority.
- c. Receive and disburse funds of the Authority, to the Department or other appropriate entities.

**Annual Review of Memorandum**

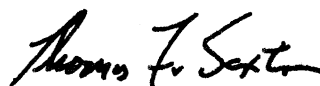
10. On an annual basis, or more frequently if necessary, the Authority, and the parties hereto, shall review and update this memorandum of understanding to the extent necessary.

IN WITNESS WHEREOF, the Department and the Authority have caused this Memorandum of Understanding to be executed by their respective duly authorized Officers on this 5<sup>th</sup> day of September, 2007.

By

  
\_\_\_\_\_  
Rebecca Humphries, Director  
Michigan Department of Natural Resources

By

  
\_\_\_\_\_  
Robert Kleine (Tom Saxton), Director  
Michigan Department of Treasury

By

  
\_\_\_\_\_  
Robert Kleine (Tom Saxton), Chairperson  
Michigan Forest Finance Authority